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SOURCE Vneshnyaya Torgovlya

SELECTED ARTICLES FROM SOVIET FOREIGN-TRADE PUBLICATION
"VNESHNYAYA TORGOVLYA," OCTOBER 1953-FEBRUARY 1954

[Comment: This report is a compilation of articles from Vneshnyaya Torgovlya, a monthly Soviet publication, dealing with USSR foreign-trade operations. The report includes: (I) the text of the Soviet-Argentine Trade and Payments Agreement; (II) the new charter of the All-Union Motion-Picture Association "Sovetskoyfilm"; (III) the text of customs regulations for inspection and admission of hand-carried baggage of persons crossing the state border of the USSR; (IV) a report on the 24th Leningrad International Fur Auction; (V) the text of the Indo-Soviet Trade Agreement; and (VI) an article on direct railroad freight connections between the USSR and the People's Democracies.

Numbers in parentheses refer to appended sources.]

I. TEXT OF SOVIET-ARGENTINE AGREEMENT

Soviet-Argentine Trade and Payments Agreement

The government of the Union of Soviet Socialist Republics and the government of the Argentine Republic, desiring to expand trade relations between the two countries on the basis of equal rights and mutual benefits, have resolved to conclude the present trade and payments agreement, for which they have appointed the following authorized representatives:

Council of Ministers USSR -- Chief of the Administration of the Ministry of Domestic and Foreign Trade USSR, N. I. Cheklin.

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His Excellency, President of the Argentine Republic -- Minister of Foreign Affairs and Vatical Relations, Doctor Jeronimo Remorino; Minister of Economic Affairs, Doctor Alfredo Gomez Morales; Minister of the State Budget, Doctor Pedro José Boranni; Minister of Foreign Trade, Doctor Antonio F. Kafiero; Minister of Finance, Doctor Miguel Revestido; and Minister of Industry and Trade, Rafael Francisco Amundarain.

Section 1. General Conditions

Article 1

The governments of the USSR and the Argentine Republic agree to observe a regime of strict reciprocity in trade relations between both countries. They will examine and resolve with the greatest manifestation of good will all suggestions which either of the parties may desire to present to the other for consideration for the purpose of facilitating and achieving closer economic ties.

With respect to the commodities to be exchanged, both governments also obligate themselves to provide the maximum facilities permitted by the corresponding legislation of each country in matters involving customs duties, levies, and taxes or other fiscal impositions, and administrative regulations and formalities affecting the export, import, circulation, transport, and distribution of these commodities. In like manner, merchant ships of both countries upon their entry, exit, and stay in Soviet and Argentine ports will enjoy the most favorable treatment afforded by the corresponding legislation for vessels flying the flag of third countries with respect to port regulations and operations.

Article 2

The governments of the USSR and the Argentine Republic will, on the basis of equality of shipments and payments, promote the development of commodity exchange, particularly of those commodities stipulated in Lists A and B of this agreement and subsequently by agreement between the high contracting parties, in conformity with the terms of the present agreement.

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Section 2. Resolutions Relating to Trade

Article 3

Soviet foreign-trade organizations and Argentine state or private foreign-trade organizations, having the power and acting under existing regulations, will conclude agreements in the USSR and Argentina for the delivery of commodities in conformity with the present agreement.

Article 4

The government of the USSR and the Argentine government guarantee that all commodities exchanged between the two countries will be designated solely for internal consumption and industrial needs of the purchasing country, unless authorized organs of both countries agree otherwise.

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Article 5

Each of the governments obligates itself to take all measures within its power to carry out the deliveries stipulated by the present agreement. To execute the aforementioned, the authorized organs of both countries will, in particular, issue the necessary licenses.

Article 6

Transactions for the delivery of goods other than those on the lists stipulated in Articles 2 and 17 can be concluded between the organizations indicated in Article 3, in conformity with existing regulations of both countries on the export and import of commodities.

Authorized organs of both governments will manifest good will in the issuance of licenses for the export and import of such commodities.

Section 3. Payment Conditions and Resolutions Relating to Financial Questions

Article 7

All payments relating to direct commercial and noncommercial operations between the USSR and the Argentine Republic will be conducted under the conditions stipulated by the present Agreement.

For this purpose, the State Bank of the USSR, acting in the name of the government of the USSR, and the Central Bank of the Argentine Republic, acting in the name of the government of the Argentine Republic, will establish the necessary accounts in US dollars to whose credit or debit will be entered the corresponding receipts and payments pertaining to operations carried out under the present agreement.

Article 8

Operations, mentioned in Article 7, will be conducted in "US dollars, as per the Argentine-Soviet Agreement."

For the conversion of "US dollars, as per the Argentine-Soviet Agreement" into rubles of Argentine pesos, and vice versa, the same exchange rates will be used as are established by existing regulations for analogous operations carried out in freely convertible US dollars in the corresponding country.

Article 9

If the balance of an account opened in conformity with Article 7 exceeds 11 million US dollars, the debtor bank upon demand of the creditor bank is obligated to make a settlement payment on the excess balance via a telegraph remittance in US dollars or other freely convertible currency agreed upon by both banks. In the latter case, involving conversion into another currency, the average US dollar official exchange rate to be used will be that which is in effect on the foreign exchange market of the payer country on the day of the transaction.

In conformity with the condition established in the preceding paragraph, payments to corresponding recipients will be carried out irrespective of the status of the aforementioned accounts.

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Article 10

In the event of a change in the official price of gold in the US (at the present time, 35 dollars per one Troy ounce of pure gold), the balance (of the accounts mentioned in Article 7) accrued after the close of the transactions on the day preceding the change will be converted in accordance with such change.

Article 11

Payments mentioned in Article 7 include the following:

- a. payments for commodities originating in the USSR and the Argentine Republic, which both countries will exchange according to the present agreement;
- b. freight, port expenditures, shipping expenditures, and expenditures related to commercial operations mentioned in the preceding paragraph;
- c. insurance, insurance premiums, and compensation awards;
- d. wages and expenditures of diplomatic, commercial, and consular agencies of one country in the other and all other payments of an official nature, including consular levies;
- e. all other payments of any kind in observance of existing regulations in the corresponding country regulating currency transactions and the transfer of funds abroad, or payments concerning which both parties may come to an agreement.

Article 12

Upon the termination of the present agreement, the State Bank of the USSR and the Central Bank of the Argentine Republic will continue to accept receipts to the accounts indicated in Article 7, and in conformity with the stipulations of the present agreement, will make payments from them on all transactions concluded during the period of operation of the agreement.

If an indebtedness of one of the parties occurs in the accounts mentioned in Article 7, the debtor party, with due regard to the operations mentioned in the preceding paragraph, is obligated to liquidate the indebtedness in the course of a 12-month period, starting from the day of the termination of the present agreement, by means of commodity shipments agreed upon by both parties.

If this indebtedness is not fully liquidated by commodity shipments within the indicated 12-month period, the debtor party, upon demand of the creditor party, is obligated to settle the indebtedness in US dollars or, by agreement between the aforementioned banks, in some other freely convertible currency.

Article 13

The USSR agrees to facilitate the financing of shipments of machinery and equipment which the Argentine Republic will purchase in the USSR during the first year of operation of the present agreement in the amount of 30 million "US dollars, as per the Argentine-Soviet Agreement".

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Article 14

The State Bank of the USSR and the Central Bank of the Argentine Republic, will establish, by mutual agreement, the technical procedure for the application of the stipulations contained in the present agreement relating to payments.

Section 4. Concluding Resolutions

Article 15

Both governments agree to the creation of a Mixed Consultative Commission with headquarters in Buenos Aires, which will supervise the execution of the stipulations contained in the agreement and recommend measures which will insure and expand the exchange between the two countries.

Article 16

The present agreement takes effect upon the expiration of 10 days from the date of its signing and will remain in effect for one year. Upon the expiration of this period, the agreement will be renewed each year by tacit consent, providing one of the parties does not declare it invalid upon written notice of 90 days prior to the expiration of any yearly period of its operation.

Article 17

Lists A and B of the present agreement will remain in effect for one year. Both governments obligate themselves, within the 90 days prior to the expiration of the effective period of the aforementioned lists, to agree upon new lists or extend the effective period of existing lists.

Executed in Buenos Aires, 5 August 1953, in two authentic copies, each in Russian and Spanish, both texts having equal force.(1)

II. NEW CHARTER OF "SOVEKSPORTFIL'M"

Charter of All-Union Motion-Picture Association
"Sovetsportfil'm"General

1. The All-Union Motion-Picture Association for the Export and Import of Motion Pictures "Sovetsportfil'm" is established for the purpose of conducting the following operations:

- a. Export and sale on the foreign market of Soviet motion pictures.
- b. Rental of Soviet motion pictures abroad through rental offices organized by the association in foreign countries.
- c. Import of motion pictures from abroad.
- d. Providing sound tracks, subtitling, and dubbing motion pictures and documentary films into foreign languages, and issuing individual short motion-picture films especially for export.

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In addition, the All-Union Motion Picture Association "Sovetsportfil'm" conducts a wide advertising campaign for all exported Soviet motion pictures.

2. The All-Union Motion-Picture Association "Sovetsportfil'm" is an independent economic organization which enjoys the rights of a juridical person and operates on a cost accounting basis.

3. The All-Union Motion Picture Association "Sovetsportfil'm" is liable in its operations and obligations only for that part of its property which is subject to attachment under existing legislation of the USSR.

4. The All-Union Motion-Picture Association "Sovetsportfil'm" is not liable for claims against the government, its organs, or other organizations.

The government is not liable for the operations and obligations of the All-Union Motion-Picture Association "Sovetsportfil'm."

5. Administrative organs of the All-Union Motion-Picture Association "Sovetsportfil'm" are located in Moscow.

6. The All-Union Motion Picture Association "Sovetsportfil'm" has a seal bearing the association's name.

Functions

7. In order to realize the aims stipulated in Article 1 of the present charter, the All-Union Motion-Picture Association "Sovetsportfil'm" performs the following functions:

- a. Carries out operations for the export and sale on the foreign market of motion pictures, as well as their rental abroad both directly and through film rental offices organized by the association in individual countries.
- b. Carries out operations for the import of foreign-made motion pictures.
- c. Conducts the exchange of Soviet motion pictures for foreign motion pictures.
- d. Organizes the issuance of advertising material relating to motion pictures.
- e. Works out and executes measures for promoting the rental of Soviet motion pictures abroad.
- f. Provides sound tracks and dubs documentary and feature films into foreign languages; also issues individual short motion-pictures films and motion-picture periodical publications.

8. To carry out the functions indicated in Article 7 of the present charter, the All-Union Motion-Picture Association "Sovetsportfil'm" is endowed with the following rights in conformity with existing laws:

- a. To conclude agreements and transactions and carry out all types of other legal acts, including credit and bill-of-exchange operations, with institutions, organizations, enterprises, and individuals both in the USSR and abroad, and to bring and defend suit in courts and arbitration proceedings.

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b. To install, obtain, and lease enterprises and motion-picture theaters subsidiary to its activity both in the USSR and abroad.

c. To establish its affiliates, offices, representatives, agencies, and production bases both in the USSR and abroad, and to participate in all types of associations, societies, and organizations corresponding to the aims of "Soveksportfil'm," both in the USSR and abroad.

Capital

9. The fixed capital of "Soveksportfil'm" is established at 20 million rubles.

Administration of the Association

10. The administration of the All-Union Motion-Picture Association "Soveksportfil'm" is conducted by the manager (upravlyayushchiy) of the association and his deputies, who are appointed by established legal procedure.

The division of work between the manager of the association and his deputies is determined by the manager.

11. The manager of the association administers all affairs and property of the association and performs all the functions delegated to it in its name; he directs all the planning, operational, and administrative activities of the association and concludes all necessary agreements, transactions, and other legal acts; he deals directly with all institutions, enterprises, and individuals.

12. All foreign-trade agreements and transactions concluded by the association in Moscow must be signed by two persons: (1) the manager of the association or his deputy, and (2) a person legally authorized to sign foreign-trade transactions by virtue of a power of attorney signed by the manager of the association.

All bills of exchange and other monetary obligations of foreign trade issued by the association in Moscow must be signed by the manager of his deputy and the chief bookkeeper of the association. All foreign-trade transactions concluded by the association and all bills of exchange and other monetary obligations issued outside Moscow (both in the USSR and abroad) must be signed by two persons who have received the power of attorney from the manager of the association to sign the aforementioned documents.

Accounting and Distribution of Profits

13. The fiscal year of the All-Union Motion-Picture Association "Soveksportfil'm" is set as 1 January-31 December of each calendar year.

14. The accounts and balance sheets of the association are drawn up and approved in conformity with appropriate [USSR] laws.

15. The distribution of net profits of the association is determined by the existing legislation.

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16. The procedure for liquidation of the association is determined by the existing legislation.

With the registration of the present charter, the former charter of the Motion Picture Association "Sovetskoyfil'm," approved on 25 June 1948, is hereby declared void.(2)

III. TEXT OF CUSTOMS REGULATIONS

Customs Regulations for Inspection
and Admission of Hand-Carried Baggage of Persons
Crossing the State Border of the USSR

1. Hand-carried luggage and other baggage belonging to persons crossing the USSR state border are admitted duty-free and without license within the limits of personal need of the aforementioned persons, with the exception of articles whose entry or exit in and out of the USSR is forbidden and which are specified in the list attached to the present regulations (Appendix No 1).

2. The attached customs declaration forms (Appendix No 2) are issued to persons whose hand-carried luggage and other baggage is subject to inspection.

Customs declaration forms are issued prior to inspection by customs officials and transport personnel. These can be obtained in consular offices of the USSR and in agencies of VAP "Inturist" abroad.

It is not obligatory for transport and postal employees and other persons having the right to make frequent crossings of the USSR state border in the performance of their duties to fill out customs declarations. For such persons an oral declaration is permissible.

3. The text of the customs declaration may be filled out in one of the following languages: Russian, Chinese, French, German, English, and Spanish.

4. The customs declaration must be filled out according to the instructions shown thereon and the completed form must be submitted to the customs official prior to inspection.

5. The customs inspection of hand-carried luggage and other baggage takes place in inspection halls, or in railroad cars, airplanes, on vessels, and in warehouses of transport and shipping organizations in the presence of the owner of the hand luggage or baggage or a person acting as his agent.

6. Baggage which follows separately from the owner is admitted duty-free within the period of one year from the day the owner crosses the border.

In such case, the customs office issues to the baggage owner crossing the USSR state border the certificate attached to the present regulations (Appendix No 3). The owner presents this certificate and fills out the customs declaration at the time the customs inspection of the above-mentioned baggage takes place.

If the person crossing the USSR state border expresses a desire to forward his baggage to some other customs office for inspection, then accordingly the said baggage is forwarded under customs guard to the customs office indicated by the baggage owner.

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7. Hand-carried luggage and other baggage of persons crossing the territory of the USSR in transit is examined by the customs office at the point of entry. The said baggage is then forwarded under the customs guard to the customs office at the point of departure.

Hand-carried luggage of transit passengers is also subject to customs inspection by the customs office at the point of departure.

8. Articles whose entry or exit in and out of the USSR is forbidden, and which are listed by the owner on the customs declaration, are retained by the customs offices upon the issuance of the receipt attached to the present regulations (Appendix No 4).

9. The admission of currency and securities is regulated by Instruction No 463 of the Ministry of Finance USSR, dated 1 April 1949, "Procedure for the Export, Import, Transfer, and Remittance Abroad and From Abroad of Currency and Currency Securities, and Supplements Thereof."

10. Publications, manuscripts, drawings, sheet music, phonograph records, photographs, films, negatives, stereotype blocks, motion picture films, antiques and objects of art, animal products, domestic animals and birds, plants, and seeds are examined and admitted across the USSR state border in accordance with existing regulations and instructions on the procedure for the examination and admission of the above-mentioned articles.

11. The present regulations take effect beginning 1 December 1953.

Approved by Decree No 179 of the Ministry of Foreign Trade USSR dated 1 December 1953.

Appendix No 1

A. Articles Forbidden Entry Into the USSR

1. Military weapons of all types, and corresponding shells and ammunition:
 - a. Silent weapons of all types, and corresponding scabbards.
 - b. Military fire-arms.
 - c. Shells, cartridges, and other ammunition for military weapons.
2. Opium, hashish, and the pipes and other devices used in their smoking.
3. USSR currency (State Bank USSR bank-notes, USSR state treasury notes and coins) and USSR state loan bonds payable in USSR currency, and their coupons.
4. Expired securities and foreign lottery tickets or lottery loans of private individuals, companies and cities.
5. Pornographic works.
6. Publications, stereotype blocks, negatives, camera films, manuscripts, drawings, sketches and similar articles injurious to the political or economic interests of the USSR.
7. Live pigeons.

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B. Articles Forbidden Exit out of the USSR

1. Weapons, shells and explosives, field binoculars, aircraft and their parts, and military equipment.
2. USSR currency (State Bank USSR bank-notes, state treasury notes and coins) and USSR state loan bonds payable in USSR currency, and their coupons.
3. Expired securities.
4. Antelope antlers; unossified maral and spotted deer antlers not acquired in animal nurseries; unossified roe-deer antlers acquired by hunting during periods when hunting for roe deer is forbidden.
5. Muskrat, blue fox, beaver, "krestovatik," and spotted deer pelts.
6. Absinthium flower heads and seeds.
7. Gold, platinum, and raw platinum metals (concentrates, ores, and tailings).
8. Live pigeons.
9. Antiques and objects of art, such as paintings, hand sketches, portraits, sculpture, water-colors, miniatures, carpets, tapestries, ancient ikons, ecclesiastical and household objects, armaments, furniture, fabrics, and ornaments, clothing, manuscripts and books, musical instruments, handicraft tools, and various other articles of archeological nature.

Note: Articles mentioned in Point 9 can only be taken out with the special permission of the Ministry of Culture USSR and upon payment of customs duties amounting to 100 percent of the value shown on their export permits.

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Prior to filling out this declaration, consult instructions on reverse.

Customs Office _____

CUSTOMS DECLARATION

Surname, first name patronymic _____

Citizenship _____ Place of Residence _____
(Country)

Train, ship, airplane (Underline) Date _____ of arrival to _____
of departure from _____ the USSR _____

I hereby declare that the hand-carried luggage belonging to me consists of _____ pieces and baggage of _____ pieces.

Personal effects include the following:

Name of Article	Quantity or number
1. Precious metals (gold, platinum, silver, etc.) and articles manufactured from them	_____
2. Precious stones and pearls and articles manufactured from them.....	_____
3. Soviet currency	_____
4. USSR State loan bonds	_____
5. Foreign currency	_____
6. Securities	_____
7. Weapons of all types and ammunition	_____
8. Narcotics: opium, hashish, and others, and devices for their use	_____
9. Field binoculars, magnification in excess of six-power	_____
10. Absinthium flower heads and seeds	_____
11. Antelope, maral, spotted deer, and roe-deer antlers	_____

There follows/ does not follow (underline) separately from the baggage presented for inspection slow-moving baggage consisting of

_____ pieces. Date _____ 195____. Baggage owner _____
(Signature)

Customs inspection conducted by _____
(Signature)

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RULES FOR FILLING OUT CUSTOMS DECLARATION

1. Persons filling out customs declaration must give accurate information concerning articles transported by them and enumerated in the declaration. In the absence of any of the articles shown in the declaration, the word "None" must be entered opposite the specified article, whereas in the event of its presence the quantity or amount must be shown. Strike-outs and erasures are not permitted.
2. The declaration must be submitted to the customs official at the time the hand-carried baggage and luggage is presented for inspection.
3. The owner of the luggage and baggage must present for separate customs inspection any of the following articles contained in the hand-carried luggage or baggage.
 - a. Antiques and objects of art, including paintings, drawings, hand sketches, sculpture, carpets, tapestries, ancient ikons, and various types of other articles having archeological significance.
 - b. Publications, manuscripts, correspondence, drawings, sheet music, stereotype blocks, negatives, phonograph records, photographs and motion picture stills, films, etc.
 - c. Seeds, fruit, live plants and other items derived from plants, soil samples, as well as insects, mushroom collections, etc.
 - d. Live and killed poultry and game and animal products of any kind.
 - e. Furs and fur products.
4. Persons guilty of falsifying information will be held responsible for contraband, in accordance with the Customs Code USSR.

Contraband articles are confiscated and applied to the State revenue.

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Appendix No 3

CERTIFICATE

En route from abroad, Citizen _____ declared
at the _____ Customs Office that baggage
addressed to him consisting of _____ pieces and
weighing _____ kilograms is being shipped from _____
way bill
on _____ No _____
bill of lading

Upon crossing the border _____ pieces of luggage belonging to
Citizen _____ were admitted by the _____ Customs
Office.

Customs Inspector _____
Signature

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C-O-N-F-I-D-E-N-T-I-A-LAppendix No 4

RECEIPT No. _____

Customs Office _____

Issued _____ 195_____ to Citizen _____

en route abroad (or from abroad) at _____

_____ (show exact address) to acknowledge the retention of
 the following articles, forbidden entry (exit) (cross out where
 inapplicable).

Numbers Consecutively	Name of article (give distinguishing marks)	Quantity, measure, or weight	Remarks

Stamp

Customs Inspector _____

Signature

Receipt received by _____

Signature of
owner

(Rules for the safekeeping of articles in the Customs Office and the
 procedure for their return are set forth on the reverse of the
 declaration.)

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C-O-N-F-I-D-E-N-T-I-A-LRules for the Safekeeping and Procedure for the Return of
Articles Retained in Accordance With This Declaration

1. Articles listed in the present declaration will be retained in the Customs Office for a period of 2 months.
2. Prior to the expiration of the indicated period of retention, the owner of the articles, or person acting in his behalf, may;
 - a. Return the articles abroad -- upon entry into the USSR or in transit;
 - b. Forward the articles to any address within the USSR -- upon departure from the USSR.
3. Articles unclaimed within the prescribed period will become part of State revenue. Owner's claims upon the expiration of the period established for the retention of said articles will not be recognized.
4. Articles listed in the present declaration and withheld because of political, humanitarian, moral, and sanitary reasons will not be returned to owners.(3)

IV. 24th LENINGRAD INTERNATIONAL FUR AUCTION

[Note: Most of the fur designations used in the following article are those of the Soviet Export-Import Dictionary, Vol I and II.]

The 24th Leningrad International Fur Auction took place July-August 1953. The All-Union Association "Soyuzpushnina" shipped large quantities of persian lamb and many other types of fur to Leningrad from all parts of the USSR. From 17 to 27 July as well as during the auction, the association exhibited samples of the items offered for sale at the auction.

Despite unfavorable business conditions on the fur market of capitalist countries, the number of participants in the 24th Leningrad International Fur Auction was considerable; 80 representatives of various foreign firms gathered in Leningrad for the auction.

The number of countries represented at the 24th auction was larger than at any of the previous auctions. For the first time since the war, fur companies of Austria and Denmark were among the participants.

Participants in Leningrad Fur Auctions

<u>Auction</u>	<u>Year</u>	<u>Number of Participants</u>	<u>Countries Represented</u>
22nd	1951	75	9
23rd	1952	79	10
24th	1953	80	14

Participants of the 24th Leningrad Fur Auction were principally the representatives of European companies; there were fewer representatives of US companies than at previous auctions. The largest buyers at this auction were the English companies, Arionovich and Jacobs, Zaidler Fur Company, Hapner, British Continental, Anning, Chadwich and Kiver, Curt Tuch, Askinex, and Simonow Furs Ltd; the French company, Societe Franco-Anglaise; the American companies, Papert and Strasburg and British-American Fur Corporation; and the Swedish company, Kointri.

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Eighty-nine percent of the items offered at the 24th Leningrad Fur Auction were sold. In addition, after the auction, many companies bought numerous lots of furs and persian lamb as well as bristles, horse hair, and carpets directly from the warehouses.

Furs and Persian Lamb Sold at the 24th Leningrad Fur Auction

	<u>Pelts Offered For Sale</u>	<u>Pelts Sold</u>	<u>Percentage Of Items Sold</u>
Badger	8,900	8,900	100
Squirrel	787,520	787,520	100
Wolf	1,085	1,085	100
Ermine	128,130	85,790	67
Pony	4,509	4,509	100
Rabbit (zayats-rusak)	166,567	166,567	100
Grey kid	120,000	120,000	100
Kolinsky	95,420	66,470	69.7
Pine marten	13,120	13,120	100
Stone marten	3,780	3,700	97.8
Mink	7,980	7,980	100
Lynx	2,470	2,470	100
Muskrat	307,300	294,000	95.7
Sable	8,225	8,225	100
Solongoi [type of Kolinsky]	30,000	21,290	71
Marmot	80,000	77,000	96.2
Suslik (suslik-peschanik)[squirrel-like burrowing rodent]	164,670	164,670	100
Tarbagan	26,860	12,780	47.6
Light skunk	25,910	24,650	95.1
Dark skunk	27,350	27,350	100
Grey Persian lamb	35,818	35,818	100
Persian lamb of other blends	7,460	7,460	100
"Sur" Persian lamb	9,232	9,232	100

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	<u>Pelts Offered For Sale</u>	<u>Pelts Sold</u>	<u>Percentage Of Items Sold</u>
Black Persian lamb	408,012	304,860	74.7
Dyed Persian lamb	144,238	144,238	100
Black broadtail	12,030	12,030	100
Dyed broadtail	3,570	3,570	100
Unprocessed Persian lamb-metis	5,680	4,140	72.9
Dyed Persian lamb-metis	13,902	13,902	100
Grey crimmer (smushka)	10,000	10,000	100

The 24th Leningrad Fur Auction stimulated the fur market noticeably. Its results surpassed those of the London auctions held in May. At the Leningrad auction there was great demand for a number of types of fur, and prices on sable, skunk, lynx, dyed Persian lamb and Persian lamb-metis, mink, rabbit, broadtail, pony, wolf, suslik, solongoi, marmot, and grey and "sur" Persian lamb pelts were higher than those at the London auctions.

The success of the 24th Leningrad Fur Auction, in spite of the unstable business conditions and weakened fur market of capitalist countries (whose representatives purchased goods at the auction), is explained by a number of reasons. A large role in this success was played by the unsurpassed quality of Soviet furs and Persian lamb, known to all foreign fur companies for some time. Other important factors included the large assortment of furs offered for sale at the auction, accurate selection of samples, and the correct grading of lots. Also payments for fur products sold at the auction were accepted in the currency of many countries, including pound sterling, Belgian francs, Finish marks, Swedish kronen, Dutch gulden, French francs, American dollars, and Swiss francs. -- A. Kaplin (3)

V. TEXT OF INDO-SOVIET AGREEMENTIndo-Soviet Trade Agreement

The Government of the Union of Soviet Socialist Republics and the Government of India, motivated by the desire to expand trade relations between both countries, have agreed to the following:

Article 1

1. Both governments will expand and strengthen trade relations between the two countries on the basis of equal rights and mutual benefits. They will examine and adopt, with the greatest manifestation of good will, resolutions with regard to suggestions which either of the parties might desire to present to the other for consideration with the purpose of achieving closer economic ties.

2. With respect to the commodities to be imported and exported from one country to the other, both governments obligate themselves to provide the maximum facilities permitted by the corresponding laws, rules, and regulations in their respective countries.

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3. The resolutions contained in paragraphs 1 and 2, however, will not affect any other existing or possibly existing:

- a. privileges granted by either of the governments to adjacent countries for the purpose of facilitating border trade;
- b. privileges arising from any customs union or any other arrangement pertaining to the zone of free trade of which either of the governments is or may become a member;
- c. preferences or privileges granted by India to any other country in effect on the day of conclusion of the present agreement, or granted in place of preferences and privileges existing prior to 15 August 1947;
- d. privileges granted under any multilateral economic agreement relating to international trade.

4. Merchant ships of either country will, upon their entry, exit, and stay in ports of the other country, enjoy the most favorable treatment afforded by the corresponding laws, rules, and regulations for vessels flying the flag of third countries. This principle will not apply to vessels engaged in coastal navigation.

Article 2

The export of commodities from the USSR to India and from India to the USSR for the time of the duration of this agreement will be carried out in conformity with lists which will be agreed upon by both governments for each contract year. The commodities agreed upon for export from the USSR to India and from India to the USSR during the first year of duration of this agreement are indicated in lists A and B.

Article 3

The import and export of commodities stipulated in Article 2 will be carried out in conformity with the regulation in effect in each country at the time pertaining to export, import, and currency control, and on the basis of contracts concluded between Soviet foreign trade organizations, on the one hand, and Indian individuals and juridical persons, on the other.

Article 4

The terms of this agreement do not infringe upon the rights of Soviet foreign trade organizations and Indian individuals and juridical persons to conclude with each other commercial transactions for the import and export of commodities not included in the lists mentioned in Article 2, providing both countries observe the regulations in existence in either country at the time governing imports, exports, and currency controls.

Article 5

Both governments will promote in every way the export and import of commodities mentioned in Article 2, as well as of commodities which are to be exported and imported in accordance with transactions referred to in Article 4.

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All payments between the USSR and India, indicated in Article 7, can be made in Indian rupees. For this purpose, the State Bank USSR will maintain one or several accounts in one or more commercial banks of India authorized to conduct foreign currency transactions. In addition, the State Bank USSR, if necessary, will maintain another account in the Reserve Bank of India. All commercial transactions involving payment in rupees will be conducted through the account or accounts established in the commercial bank or banks. The account in the Reserve Bank of India will be used, whenever necessary, only to cover the balance on the accounts in a commercial bank or banks.

Payments permitted by the Indian currency control will be made to persons permanently residing in the USSR by persons permanently residing in India, by crediting the amounts of such payments to the above-mentioned account or accounts of the State Bank USSR in the commercial bank or banks. Payments made by persons permanently residing in the USSR to persons permanently residing in India, will be carried out by debiting the indicated account or accounts in the commercial bank or banks. This account or accounts, if necessary, will be replenished by:

- a. the transfer of funds from the State Bank USSR accounts in another commercial bank or in the Reserve Bank of India;
- b. the sale of pounds sterling to the corresponding bank.

Article 7

The terms of the present agreement provide for the following payments:

- a. payments for commodities delivered in accordance with the present agreement;
- b. payments connected with trade operations involving insurance and freight (providing the commodities are shipped on Soviet or Indian vessels), port expenditures, warehouse and shipping expenditures, as well as coaling of vessels;
- c. payments for renting motion-picture films;
- d. payments for technical aid;
- e. payments for expenditures relating to trips of a commercial or cultural nature and to trips of official delegations;
- f. payments for expenditures connected with the upkeep of the USSR Embassy and Trade Representative in India and the Indian Embassy in the USSR;
- g. other payments of a noncommercial nature, which may have been agreed upon by the State Bank USSR and the Reserve Bank of India.

Article 8

Any balance in the rupee accounts maintained by the State Bank USSR in the Reserve Bank of India, or in a commercial bank or banks authorized to conduct foreign currency operations, will be converted, upon demand, into pounds sterling at the usual bank rate of exchange applied to the sale of pounds sterling, and fixed periodically by the Indian Association of Foreign Exchange Banks. The aforementioned balance can also be converted into pounds sterling after the expiration of the present agreement.

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Both governments will, in every way, encourage the shipment of commodities to be exported and imported from one country to the other in accordance with the present agreement to be carried out, as far as possible, on Soviet and Indian vessels.

Article 10

The present agreement takes effect on the day of its signature and will continue in effect for a period of 5 years.

The agreement may be extended or renewed by means of negotiations between both parties, which must be initiated 3 months prior to the expiration of the agreement.

Executed in New Delhi on the 2nd of December 1953 in two certified copies, each in the Russian and English languages, and both texts having equal force.

By the Authority
of the Government
of the USSR

M. MEN'SHIKOV

By the Authority
of the Government
of India

H. V. R. AYYANGAR

List A. Commodities for Export From the USSR to India

1. Grain (wheat, barley)
2. Crude petroleum
3. Petroleum products: gasoline, kerosene, diesel fuel, mazut, lubricating oils
4. Iron and steel products
5. Raw asbestos
6. Carbon black
7. Chemicals
8. Dyes
9. Medicines, technical raw materials for the manufacture of drugs medical instruments
10. Timber
11. Various kinds of paper, including newsprint
12. Cellulose
13. Complete sets of equipment for industrial enterprises, individual equipment parts
14. Drilling equipment

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15. Mine equipment: cutting machines, rock-loading machines, coal combines, scraper winches, perforators, pneumatic drills, and others
 16. Road construction equipment: scrapers, bulldozers, ditch diggers, planes, rollers, and others
 17. Construction machines: concrete mixers, mortar mixers, lime slakers, electric vibrators, and others
 18. Excavators, single-bucket and multibucket, and truck cranes
 19. Sets of equipment for electric-power stations and heavy electrical equipment
 20. Electric tools, installations, and instruments
 21. Compressor installations, locomobiles, pumps
 22. Gas-cutting, gas-welding, and electric welding equipment and parts
 23. Textile equipment
 24. Printing equipment: printing presses, typesetting machines, and others
 25. Equipment for the food industry
 26. Equipment for the footwear industry
 27. Industrial sewing machines
 28. Machine tools, parts of machine tools, and metal cutting tools, including hard-alloy tips
 29. Woodworking machines
 30. Pneumatic and electric hand tools
 31. Testing machines, laboratory equipment, control and measuring instruments and tools
 32. Microscopes, optical instruments, geodetic tools and seismographic instruments
 33. Ball bearings and roller bearings
 34. Tractors, agricultural machines and equipment
 35. Motorcycles
 36. Photographic and motion-picture equipment
 37. Canned fish and caviar
 38. Motion-picture films
 39. Publications, including books and periodicals
- [Signed] M. Men'shikov, H. V. R. Ayyangar

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C-O-N-F-I-D-E-N-T-I-A-LList B. Commodities for Export From India to the USSR

1. Jute products
 2. Raw wool
 3. Tea
 4. Coffee
 5. Tobacco, unprocessed
 6. Spices: black pepper, cardamom, ginger, and others
 7. Shellac
 8. Hides and tanned leather
 9. Tanned calfskin
 10. Tanned goatskin
 11. Finished leather and leather products
 12. Vegetable oils
 13. Volatile oils: sandalwood oil, lemon-grass oil, palmarosa oil
 14. Ropes and cables of vegetable fibers, including yarn and cables of coconut fiber
 15. Chemicals
 16. Raw materials for the manufacture of drugs
 17. Live animals
 18. Motion-picture films
 19. Publications, including books and periodicals
 20. Art and handicraft products
- [Signed] M. Men'shikov, H. V. R. Ayyangar (4)

VI. DIRECT RAILROAD FREIGHT CONNECTIONS
BETWEEN USSR AND PEOPLE'S DEMOCRACIES

Prior to World War II, agreements concerning direct international railroad connections were concluded on the basis of the Bern International Freight Convention (MGK).

With the creation of the People's Democracies, the conditions of the MGK, emanating from capitalistic relations, were not able to satisfy the needs of the USSR and the People's Democracies, which conduct their relations on the basis of common interests and mutual aid. On this basis, there was concluded during the immediate postwar years a bilateral agreement concerning freight hauling between the USSR and the People's Democracies. The first postwar bilateral agreement concerning direct rail connection was concluded with Poland in November 1945. This established an uninterrupted freight flow between the USSR and Poland and played an important role in the restoration of the war-ravaged economy of Poland.

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During the years 1946-1948, agreements were concluded with Czechoslovakia, Rumania, and Hungary, and in 1949 with Bulgaria. Another such agreement was concluded with the GDR after its creation and a similar agreement was concluded with the People's Republic of China in 1950.

With the development of economic relations between the USSR and the People's Democracies, based on collaboration and mutual assistance, the USSR and the People's Democracies of Europe developed, in 1950, a single agreement concerning direct international rail connections, which replaced the aforementioned bilateral agreements. This agreement, entitled "Agreement Concerning Direct International Railroad Freight Hauling," (referred to as MGS), went into effect 1 November 1951.

The participating parties to the agreement were the USSR, Poland, Rumania, Czechoslovakia, Hungary, Bulgaria, Albania, and the GDR. The MGS agreement promoted the development and strengthening of economic collaboration between the democratic countries.

The primary significance of this agreement is that it replaces the Bern International Freight Convention, on the basis of which the coordinated operation of the railroads of these countries was established, and by whose terms freight was hauled up to 1 November 1951.

The MGS agreement differs from the Bern International Freight Convention in that it reflects the planned character of the economies of the USSR and the People's Democracies where railroads are a component part of the economy of these countries, working according to a prepared plan.

Planning in the field of railroad transport enables the railroad to prepare and organize hauling operations on schedule. Empty runs of rolling stock, one of the chief shortcomings in the operation of railroads, are kept to a minimum by a planned hauling program.

The participants of the MGS are the railroads under the jurisdiction of the transport ministries of the respective countries. In this, the participants of the agreement enjoy equal rights regardless of the length of their rail lines. Questions concerning the MGS, including those concerning the operation of the agreement or modification of its conditions, are settled directly at a conference by the participants of the agreement.

The ruble is the exchange currency used by participants of the agreement and the reciprocal settlements between participants are carried out in the majority of cases through clearing. The official language of the agreement is Russian while, German serves as the language for the translation of technical terminology.

The agreement concerning direct international freight hauling, MGS, has vital significance for the foreign-trade organization of the member countries. It provides for the hauling of freight from the seller to the buyer without interruption en route by either the owner of the freight or the forwarding agent. This uninterrupted hauling is achieved through the use of single international railroad waybill.

The conditions for hauling freight by this direct waybill are uniform over the entire route and are not subject to the internal regulations applicable to the railroads of the particular country through which the freight might be passing. Therefore, the consignor knows beforehand the regulations that will be applied for the hauling of his freight. International freight hauling by a direct waybill bestows upon the railroads a joint responsibility for the preservation of the freight and its delivery to the recipient. This allows the freight consignor to settle all questions directly with the railroad shipping the freight.

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The dispatching of freight by a direct railroad waybill allows the foreign trade organization, after dispatching the freight to the consignee, to obtain payment for the sold merchandise by presenting a duplicate of the waybill to a bank, and without waiting for the reception of the merchandise by the consignee.

The Uniform Transit Tariff (YeTT) established in the MGS agreement 's a significant step toward efficient hauling procedures. Prior to the establishment of this tariff, freight was hauled between countries lacking common borders (for example, from Rumania to Czechoslovakia, or from Poland to Rumania) via the countries with the lowest tariffs. Quite often the hauling distance was not a deciding factor. Thus, prior to the introduction of the Uniform Transit Tariff, freight hauling from Austria to the USSR through Czechoslovakia, and vice versa, actually cost less than through Hungary even though the distance via Czechoslovakian railroads amounted to 567 kilometers, and via the Hungarian railroads, 517 kilometers. It was natural, therefore, for the owners to dispatch the freight, not over the shortest route, but over the cheapest. The unnecessary run of the freight, together with the extra time the freight and the rolling stock spent en route, as a rule, was not taken into account by the freight owners.

The cost of hauling transit freight was different in each of the countries of the People's Democracies prior to the introduction of the YeTT. On the Hungarian railroads the transit tariffs were much higher than those of the Rumanian railroads. For example, the cost of hauling petroleum a distance of 400 kilometers via Hungarian railroads was higher than the cost of hauling it a distance of 800 kilometers on Rumanian railroads. Such difference in tariffs led to an irrational expenditure of funds and to a lengthening of the transit haul. With the introduction of the Uniform Transit Tariff, the only factor determining transit routing of freight is distance, the shortest being the cheapest. At the same time, the Uniform Transit Tariff is considerably lower than the transit tariffs in effect in the capitalistic countries. For example, the hauling of machinery from ports in Western Germany to the Austrian border, a distance of 846 kilometers, amounts, according to the transit dollar tariff, to 14.7 dollars, or 58 rubles and 80 kopeks per ton, whereas on the railroads of the German Democratic Republic the hauling of one ton of machinery from its ports to the Czechoslovakian border, an equal distance, costs 51 rubles; the hauling of rolled ferrous metals on the aforementioned GDR railroads costs 25 rubles and 50 kopeks per ton.

The MGS agreement makes it possible for its participants to dispatch freight not only to countries participating in this agreement but also to capitalistic countries, and from the latter to countries participating in the agreement. This is possible because all of the People's Democracies having agreements concerning rail connections with capitalistic countries assume the obligation of reconsigning the freight to destinations coming from or going to countries participating in the MGS agreement and also of redocumenting this freight at the border stations without the participation of the freight owners or shippers.

A great amount of the foreign-trade freight turnover of the USSR is with the People's Republic of China. An agreement concerning Soviet-Chinese direct rail connections in effect from 1 April 1951 to 31 December 1953, provided for the hauling of freight shipped by the Soviet and Chinese foreign trade organizations from 1951 through 1953. Several difficulties arising from the differences in the rolling stock of the Soviet and Chinese railroads were solved through cooperation.

At a Moscow conference in July 1953, attended by railroad representatives of the USSR and the People's Democracies for the purpose of revising the MGS agreement, a number of modifications improving the hauling requirements were introduced. For example, the freight delivery time was shortened, the norms for natural depreciation were lowered, and the marking regulations were simplified.

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The People's Republic of China, the Democratic People's Republic of Korea, and the Mongolian People's Republic were admitted as participants in the agreement. After its revision the agreement became known as "Agreement Concerning International Freight Hauling" (SMGS), and went into effect 1 January 1954. It is now the most significant of past and present direct international railroad freight hauling agreements.

The SMGS agreement stipulates that the receipt of freight for hauling be done in accordance with the laws and regulations of the railroads of the country of origin. Thus, it is necessary to know the freight reception regulations in effect in each country.

In order to avert mistakes and misunderstandings arising from improper documentation, it is necessary, in concluding foreign-trade agreements, to give serious attention to the problems related to freight transport. Transport instructions, concerning the loading, dispatching, and hauling of foreign-trade freight, must be compiled in such a way as to guarantee compliance with the conditions of the SMGS agreement, not neglecting thereby the possibility of more efficient utilization of the railroad rolling stock, since the improper utilization of the load limit or capacity of cars leads to unjustified increases in the cost of hauling. For example, a railroad of a neighboring country supplies cars of 28-30-ton capacity instead of cars with 15-20-ton capacity to load export commodities when only 12-15 tons of these commodities are loaded into a car. The SMGS agreement stipulates that cases where cars of inappropriate capacity have been supplied by the station of origin should be noted on the railroad waybill. In many cases such notes have not been made and the recipient was required to pay 1 1/2 times more than required for the hauling of freight via the transit railroad.

In accordance with the internal Soviet railroad regulations, packing of freight to be accepted for hauling must conform to the state all-union standards (GOST), or to the packing conditions stipulated in the sale and purchase contract, if different from that of GOST. However, in no case may the latter type fall below the GOST requirements. The SMGS agreement sets forth special methods of packing for freight hauling requiring special safeguards (combustible and toxic materials). These packing methods are accepted by all participants to the agreement, thus eliminating the necessity of agreeing upon methods of hauling such freight in each particular instance; the deviation from these conditions always causes difficulties and delays in the transfer of this type of freight from one country to another.

Proper marking is extremely important to the expeditious hauling of foreign-trade freight. Faulty or unclear marking impedes the sorting of freight on the railroads during transshipment and creates difficulties in the reception of freight from the railroad. In one transaction improper marking resulted in the shipment of freight to a completely different enterprise than the one intended, and the cost of reshipping to the proper consignee amounted to 24,000 rubles. It is always possible to avoid improper marking and its consequences. To ensure this, a simple marking is sent to the consignor which he is required to duplicate exactly.

Successful hauling depends to a great extent upon the documents accompanying the freight waybill (specifications, the certification as to the quality of the freight, the technical passport, etc.). Incorrect freight papers often cause delays en route which, in turn, lead to losses connected with late delivery of freight, extended car layovers, telegraph communication, etc. These unnecessary expenditures may be avoided by the appropriate instructions to the consignor and by sending him examples of completed documents.

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Errors occur most often in the filling out of the railroad waybills. Making up a waybill requires special care -- all required information must be filled in correctly, clearly, and completely. The destination station must be indicated fully without any abbreviation or modification. In one instance, according to the sale and purchase contract, freight should have been sent to the station of Shan-khekou in China. However, on the railroad waybill the consignor mistakenly put down Shakhekou, a station which is also located in China. The omission of the letter "n" caused the freight to be sent to the wrong destination resulting in a considerable loss and waste of time.

If the city to which the freight is consigned has several freight stations (as Moscow, Bucharest, Budapest, Berlin, and others), then the waybill must indicate to which of the freight stations the freight is to be delivered. Ordinarily, the shipment is consigned to the freight station nearest the enterprise or the warehouse of the freight recipient.

The freight is named on the waybill in accordance with the nomenclature employed in domestic hauling in the country of the originating railroad. However, in instances where the freight is not consigned to a neighboring country, but must travel through an intermediate country to reach its destination, then the freight designation must agree with the nomenclature stated in the Uniform Transit Tariff (YeTT). Transit freight must also be designated as such on the waybill to avoid an overcharge for the hauling. An instance occurred where the consignor neglected to note in the waybill the fact that a consignment of gas oil traveling through foreign ports was actually transit freight. The error cost the consignor approximately 125,000 rubles, since the hauling rate was applied according to the general tariff which, in this case, was nine times higher than the transit tariff.

In addition to the hauling fee, the methods of handling the freight are also determined by the type designation of the freight. For example, when sulphuric acid is being hauled in carboys, the car hauling this freight cannot be humped during switching operation, whereas, sulphuric acid, when in metal containers, could be handled without this precaution.

According to the internal USSR railroads regulations the station of origin weighs the freight to be exported, and in the absence of scales, the consignor determines the weight of the consignment. This rule also exists on many foreign railroads. In practice, a large quantity of the freight loaded and dispatched from industrial sidings (ore, sheet metal, petroleum products, etc.) is weighed by the consignor. In either case, the waybill must indicate by whom and by what method (type of scales) the weight was determined in order that the transfer station or destination station may employ an analogous method in checking the weight.

The freight documents (specifications, certification as to the quality of the freight, and others) which are delivered with the waybill to the recipient must be attached to the waybill. All these documents are listed in the waybill, plus the number of copies, the dates of their issuance, and, in the absence of these requisites, other special data. The railroad is responsible for the delivery of these documents to the freight recipient. The absence of these documents often leads to loss of time and unnecessary expenditures. Consignors repeatedly are forced to repay freight recipients for large fees paid at the destination stations for storage of freight, since the recipients are unable to receive the freight from the railroad without the specifications.

The smooth, uninterrupted hauling of freight in direct international railroad connection depends upon the strict observance of the SMGS agreement rules and the proper completion of transport and freight documents. Careful control must be exercised to see that these conditions are met by all institutions connected with international freight hauling. This will guarantee the timely delivery of imported and exported freight to its destination. -- P. Markelov (5)

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2. Ibid., No 11, 1953
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